



JUMP+ Plan



VAROPAKORN PUBLIC COMPANY LIMITED

(VARO)

Year 2026 - 2028

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and disseminated on 31/03/2026

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SET

Industrials / Industrial Materials & Machinery

CG Report :

SET ESG Ratings: -

Anti-Corruption Certification (CAC): -

Business Type

The Company engages in the business of aluminium manufacturing and distribution of semi-finished sheets & coils for sale to other manufacturers who could reproduce them further or use them as components for other products. The company is certified under ISO 9001: 2015, ISO 14001: 2015

Financial Statement				
Year	2025	2024	2023	2022
Income Statement (MB)				
Revenues	2,800.04	3,028.84	2,524.35	3,762.83
Expenses	2,689.18	2,843.68	2,580.72	3,785.21
Net Profit	69.46	130.43	-108.51	-58.79
Balance Sheet (MB)				
Assets	2,188.13	2,506.31	2,099.06	2,336.32
Liabilities	1,185.03	1,604.35	1,327.52	1,457.86
Shareholders' Equity	1,003.10	901.96	771.53	878.46
Cash Flow (MB)				
Operating	273.35	10.59	64.89	392.56
Investing	-18.94	-38.85	-47.64	-45.16
Financing	-298.29	99.18	-60.82	-312.66
Financial Ratio				
EPS (Baht)	0.70	1.31	-1.09	-0.59
GP Margin (%)	6.75	8.19	1.40	2.57
NP Margin (%)	2.48	4.31	-4.30	-1.56
D/E Ratio (Times)	1.18	1.78	1.72	1.66
ROE (%)	7.29	15.59	-13.15	-7.09
ROA (%)	4.72	8.04	-2.54	-0.86

JUMP+ Plan

Business Plan

Target in 2028

 Net Profit **200-250** Million Baht

Strategic Plan	Growth	Profitability & Efficiency	Stability
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1. Strategic Plan 1 : Driving revenue growth through global market expansion ✓
2. Strategic Plan 2 : Install additional machinery to expand production capacity for products with strong demand in international markets. ✓
3. Strategic Plan 3 : Secure additional working capital to support increased production. ✓
4. Strategic Plan 4 : Optimize machinery utilization to improve production effectiveness. ✓

Governance Plan

1. Enhancing anti-corruption and fraud prevention efforts
2. Enhancing the prevention of insider information
3. Formulation of a succession plan for the CEO, executive management, and critical roles

Climate Action Plan

1. Greenhouse gas inventory (GHG) plan
2. Decarbonization

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Section 1
Business Plan

Section 1 Business Plan

Target in 2028

Topic	YE/2023	YE/2024	YE/2025	Target in 2028
Net Profit (Million Baht)	-108.51	130.43	69.46	200-250

Growth plan/Increase business value

Strategic Plan 1 : Driving revenue growth through global market expansion

1. Drive revenue growth from existing key accounts.
2. Expand the customer base while enhancing production capacity.

This plan will promote and develop the organization in the following dimensions

- Growth

Targets

- Corporate Financial Targets

Topic	Latest data		Targets		
	YE/2024	YE/2025	2026	2027	2028
Revenue Growth (%) YoY Growth Rate	19.99	-7.55	12.17	11.75	13.21

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Increase sales revenue in India and Europe	2026	• 1,981 MB
	2027	• 2,259 MB
	2028	• 2,555 MB

Risk Management

Risk 1 : Exchange rate

- Risk Characteristic

The depreciation of the US dollar affects its value when converted into Thai baht

- Risk Impact

As a result, sales and net profit did not meet the targets

- Risk Management Measures

The company adopts hedging instruments, such as currency hedging and forward contracts, to minimize foreign exchange risk

Risk 2 : Exposure to raw material price volatility

- **Risk Characteristic**

Volatility in global aluminum prices impacts production costs

- **Risk Impact**

Higher production costs materially compress gross margins and, in some cases, may result in operating losses

- **Risk Management Measures**

Implement formula pricing mechanisms in commercial contracts or employ hedging strategies, such as commodity swaps, to manage price risk

Risk 3 : Risks arising from geopolitical conflicts.

- **Risk Characteristic**

Geopolitical conflicts can adversely impact the economy.

- **Risk Impact**

This may result in an economic slowdown and decreased demand for products.

- **Risk Management Measures**

Maintain timely production and expedite deliveries to avoid order cancellations from missed deadlines, while expanding regional distribution and diversifying product offerings.

Strategic Plan 2 : Install additional machinery to expand production capacity for products with strong demand in international markets.

To align with production processes and increased production volumes in response to demand from international customers.

This plan will promote and develop the organization in the following dimensions

- Growth

Targets

- **Corporate Financial Targets**

Topic	Latest data		Targets		
	YE/2024	YE/2025	2026	2027	2028
Net Profit Growth (%)	220.20	-46.75	108.33	40.00	28.57
YoY Growth Rate					

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Align production planning with export targets, while broadening the customer base and diversifying the product portfolio.	2026	• The company is expected to generate a net profit of THB 125 million.
	2027	• The company is expected to generate a net profit of THB 175 million.
	2028	• The company is expected to generate a net profit of THB 225 million.

Strategic Initiative	Year	Expected Outcomes
million.		

Risk Management

Risk 1 : Machinery installation was not completed as planned.

- **Risk Characteristic**

Production could not meet the planned schedule.

- **Risk Impact**

Resulting in lost export opportunities

- **Risk Management Measures**

Implement strict monitoring of construction, machinery importation, and installation to ensure compliance with the approved plan.

Risk 2 : Raw material supply is insufficient to meet production requirements.

- **Risk Characteristic**

Production is insufficient to meet customer demand

- **Risk Impact**

Customers may turn to competitors as alternatives, leading to a loss of market share.

- **Risk Management Measures**

Source new raw material suppliers or expand import agreements with existing suppliers.

Risk 3 : Highly unpredictable and volatile weather conditions

- **Risk Characteristic**

The occurrence of the La Nina phenomenon leads to above-average rainfall in multiple equatorial regions.

- **Risk Impact**

Prolonged heavy rainfall may lead to delays in product delivery and impact customers engaged in air-conditioning production.

- **Risk Management Measures**

Incorporate contingency time into the machinery installation plan to address potential delays arising from this situation.

Strategic Plan 3 : Secure additional working capital to support increased production.

Additional financing is required to support higher raw material procurement volumes in line with increased production.

This plan will promote and develop the organization in the following dimensions

- Stability

Targets

- Corporate Financial Targets

Topic	Latest data		Targets		
	YE/2024	YE/2025	2026	2027	2028
Shareholders' Equity (MILLION BAHT)	901.96	1,003.10	1,128	1,303	1,528

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
“Drive sales growth while ensuring deliveries to customers are completed in accordance with the plan.”	2026	• This is expected to drive international sales to THB 1,981 million
	2027	• This is expected to drive international sales to THB 2,259 million
	2028	• This is expected to drive international sales to THB 2,555 million

Risk Management

Risk 1 : Delays in the approval of new working capital lead to an inability to meet funding requirements.

- Risk Characteristic

Financing approval by financial institutions, based on collateral and operating performance, may take longer than the planned production schedule.

- Risk Impact

Raw material imports did not proceed in line with the planned production schedule, resulting in delays in fulfilling export demand.

- Risk Management Measures

Engage with existing financial institutions and identify new funding sources to ensure appropriate financing options aligned with the targeted production plan.

Risk 2 : Significant volatility in foreign exchange rates.

- Risk Characteristic

Most contracts for the purchase of machinery and raw materials are executed in foreign currency.

- Risk Impact

A depreciation of the Thai Baht will result in higher payment obligations.

- Risk Management Measures

Utilize a less volatile currency to settle payments in line with the agreed payment term.

Risk 3 : Rising inflation.

- Risk Characteristic

Inflation has risen as a result of geopolitical tensions in the Middle East.

• **Risk Impact**

Higher prices limit the company’s ability to procure raw materials in line with the production plan.

• **Risk Management Measures**

Prioritize customers with a proven track record of on-time delivery acceptance and timely payments to optimize the use of limited working capital.

Strategic Plan 4 : Optimize machinery utilization to improve production effectiveness.

Ensure machinery operates in accordance with the established production plan.

This plan will promote and develop the organization in the following dimensions

- Profitability & Efficiency

Targets

• **Corporate Financial Targets**

Topic	Latest data		Targets		
	YE/2024	YE/2025	2026	2027	2028
Gross Profit Margin (%)	8.19	6.75	7.57	8.46	9.58

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Develop operational plans to ensure that the Overall Equipment Effectiveness (OEE) of each machine is maintained at or above the established target.	2026	• Maintain Overall Equipment Effectiveness (OEE) at or above 73%.
	2027	• Maintain Overall Equipment Effectiveness (OEE) at or above 77%.
	2028	• Maintain Overall Equipment Effectiveness (OEE) at or above 80%.

Risk Management

Risk 1 : Unexpected machinery breakdown during production.

• **Risk Characteristic**

While operating in accordance with the production plan, a machinery breakdown occurred, resulting in a production shutdown

• **Risk Impact**

Production fell behind the planned schedule, leading to delays in customer deliveries.

• **Risk Management Measures**

Implement an effective preventive maintenance plan to ensure machinery availability in accordance with the production schedule.

Risk 2 : Machinery performance and efficiency.

- **Risk Characteristic**

Machinery is operating below its design specifications.

- **Risk Impact**

Extended production time has reduced productivity below the expected level.

- **Risk Management Measures**

Maintain machinery in optimal working condition and train operators to perform tasks correctly and with precision.

Section 2

Governance Plan

Section 2 Governance Plan

Accountability and Transparency Governance

Enhancing anti-corruption and fraud prevention efforts

The company has a written anti-bribery and anti-corruption policy approved by the Board of Directors, with plans to train employees, establish whistleblowing channels, and have regular follow-up by internal auditors.

Targets

Revise the anti-corruption policy to cover all company activities and obtain board approval.

Topic	Current Status	Targets		
		2026	2027	2028
The company has established an anti-corruption policy and practices.	In Progress	In Progress	Success	Success
<ul style="list-style-type: none"> An anti-corruption and anti-bribery policy has been developed to comprehensively cover the organization's business operations, formally approved by the Board of Directors, and supported by clear and practical implementation guidelines 	In Progress	In Progress	Success	Success
<ul style="list-style-type: none"> The company conducts regular monitoring and evaluation of compliance with its anti-corruption and anti-bribery policy and procedures. Audit results are reported by internal auditors to the Board of Directors at least annually. In the event of any violations, corrective actions and preventive measures are clearly defined to prevent recurrence 	Not Started	In Progress	Success	Success
<ul style="list-style-type: none"> The company conducts an annual review of its anti-corruption and anti-bribery policy and practices with the Board of Directors 	Not Started	In Progress	Success	Success
Achieve CAC certification from the Thai Institute of Directors (Thai IOD)	Signatory	In the process of applying for certification.	Certified	Certified
Evaluation of adherence to ISO 37003 standards: Fraud control management systems	-	Not Started	In Progress	Success

Strategic Initiative

The company has revised its anti-corruption policy; provided training for employees and management; expanded whistleblowing channels and standard operating procedures (SOPs) for investigations; and prepared documents for CAC certification. The company has systematically implemented the ISO 37003 anti-corruption framework and will conduct an internal audit or independent external assessment of its compliance with this framework by 2028.

Strategic Initiative	Year	Expected Outcomes
The company has a written anti-bribery and anti-corruption policy approved by the Board of Directors, with plans to train employees,	2026	<ul style="list-style-type: none"> The final policy has been approved by the company's Board of Directors.

Strategic Initiative	Year	Expected Outcomes
establish whistleblowing channels, and have regular follow-up by internal auditors.	2027	• Whistleblowing channels are fully functional and governed by formal investigation Standard Operating Procedures (SOPs).
	2028	• The organization is certified to ISO 37001 (Anti-Bribery Management Systems).

Remark : Key Performance Indicators (KPIs): • Percentage of employees who have completed training; Number of fraud incidents detected and closed; Status of CAC certification applications.

Risk Management

Risk 1 : Non-compliance with policy

- **Risk Characteristic**

Inadequate communication or training

- **Risk Impact**

Exposure to legal and reputational risks

- **Risk Management Measures**

Mandatory training programs are conducted, with annual reporting to the Board of Directors.

Risk 2 : Risks from trading partners.

- **Risk Characteristic**

The business lacks anti-corruption standards.

- **Risk Impact**

Supply chains are vulnerable to fraud.

- **Risk Management Measures**

Identify key business partners, include contract terms, and evaluate business partners.

Enhancing the prevention of insider information

The company will establish a clear and written Insider Information Policy and guidelines, along with a monitoring and reporting system, to the Board of Directors at least once a year to ensure transparency and prevent misconduct that may affect investors.

Targets

Review, develop, and implement an internal information security policy, Provide training for staff and management, Monitor and verify compliance with the policy and report to the board, Submit clear reports on policy compliance and corrective/preventive measures to avoid recurrence.

Topic	Current Status	Targets		
		2026	2027	2028
The company has established a policy and procedures to prevent the misuse of insider information.	In Progress	In Progress	Success	Success
• A Board-approved written policy on insider information prevention has been clearly defined and implemented	In Progress	In Progress	Success	Success

Topic	Current Status	Targets		
		2026	2027	2028
<ul style="list-style-type: none"> A structured process is implemented to regularly monitor and review compliance with the insider trading prevention policy, with audits conducted at least annually. 	Not Started	In Progress	Success	Success
<ul style="list-style-type: none"> The implementation of the insider information prevention policy is reviewed and reported to the Board of Directors at least annually. If any violations are detected, corrective actions and preventive measures are clearly outlined to prevent recurrence 	In Progress	In Progress	Success	Success
Internally disclose, on a per-transaction basis, the list of individuals who have access to inside information regarding any transaction that may affect the company's stock price and investor decisions.	-	In Progress	Success	Success

Strategic Initiative

The implementation depends on the involvement of legal and corporate governance departments, as well as the allocation of budgets for training and internal audits.

Strategic Initiative	Year	Expected Outcomes
Internal data management plan.	2026	<ul style="list-style-type: none"> Review and revise policies and procedures, and provide training for employees and management.
	2027	<ul style="list-style-type: none"> Establish a system for tracking and monitoring the use of internal data, and report the results to the board.
	2028	<ul style="list-style-type: none"> Review and revise policies, prepare performance reports and corrective action reports.

Remark : KPIs: % of employees and managers who have completed training $\geq 95\%$; Number of reports to the board ≥ 1 time/year; No cases of insider trading detected.

Risk Management

Risk 1 : Employees or executives use inside information to trade securities.

- Risk Characteristic**

Risk characteristics: The use of unregulated or unsupervised inside information could lead to employees or executives using the information for personal gain through securities trading.

- Risk Impact**

Damaged reputation and legal repercussions.

- Risk Management Measures**

Establish clear policies, provide training, and monitor the securities trading of relevant personnel.

Governance of Risk and Management Compliance

Formulation of a succession plan for the CEO, executive management, and critical roles

The Company has implemented a structured succession planning process for critical roles, with clearly identified internal successors, Individual Development Plans (IDPs) are formulated, and successors' readiness is evaluated through on-the-job assignments and practical exposure.

Targets

The Company has established a succession plan for the CEO/Managing Director and other critical roles, identifying internal successors and implementing Individual Development Plans (IDPs) to support leadership continuity.”

Topic	Current Status	Targets		
		2026	2027	2028
The company has established a succession plan for the President & CEO, senior executives, and key position holders.	Not Started	In Progress	In Progress	Success
<ul style="list-style-type: none"> Risk assessment and identification of critical roles to categorize and prioritize positions requiring succession plans. Define core qualifications and competencies by regularly reviewing and updating job descriptions to ensure clarity and relevance, and specifying essential competencies for each position. Identification and assessment of high-potential employees for future key roles. Development of Individual Development Plans Monitor IDP progress and evaluate the overall effectiveness of the succession plan, ensuring key role incumbents participate in and complete essential training and skill development. Effectively communicate the value of the succession plan to employees and encourage a culture of continuous learning across the company. 	Not Started	In Progress	Success	Success
Engage an expert to evaluate Human Capital ROI (HCROI), measuring the financial value generated by a company's workforce relative to investments in employee development	-	Not Started	In Progress	Success

Remark : Approval from the selection committee is required; successor development takes 12–36 months.

Strategic Initiative

Identify critical roles; establish a talent pool; develop Individual Development Plans (IDPs); implement job rotation and acting assignments; and conduct annual readiness assessments

Strategic Initiative	Year	Expected Outcomes
Identification of critical roles and successor candidates.” “Development and implementation of Individual Development Plans (IDPs).” “Implementation of job rotation and acting assignments.” “Annual review and reporting to the Board of Directors	2026	<ul style="list-style-type: none"> • Identification of critical roles and their respective internal successors.” • Specify Individual Development Plan (IDP) details for identified key successors.”
	2027	<ul style="list-style-type: none"> • Evaluate successor readiness through acting roles and on-the-job assignments.”
	2028	<ul style="list-style-type: none"> • Provide annual progress reports to the Board of Directors.”

Risk Management

Risk 1 : Insufficient ready successors.

- **Risk Characteristic**

Lack of a structured and systematic development framework.

- **Risk Impact**

Disruption to operations and lack of business continuity.

- **Risk Management Measures**

Accelerate the development and implementation of Individual Development Plans (IDPs) and leverage external consultants.

Risk 2 : Loss of key organizational knowledge.

- **Risk Characteristic**

Separation due to retirement or resignation.

- **Risk Impact**

Discontinuity in operations.

- **Risk Management Measures**

Establish knowledge transfer programs and formalize documentation of key knowledge and standard operating procedures (SOPs).

Risk 3 : Management continuity risk.

- **Risk Characteristic**

Disruptions in management continuity may lead to a loss of stakeholder confidence.

- **Risk Impact**

Some operations may need to be postponed to await the direction of the new management.

- **Risk Management Measures**

Clear and defined criteria are in place for the selection of successor candidates.

Section 3

Climate Action Plan

Section 3 Climate Action Plan

Greenhouse gas inventory (GHG) plan

The Company has published a Greenhouse Gas (GHG) emissions report

URL Link to the Document : <https://www.set.or.th/th/market/product/stock/quote/VARO/company-profile/information>



The Company recognizes the importance of climate change, which has long-term impacts on the environment, economy, and society. The Company is therefore committed to conducting its business in accordance with sustainable development principles, with a focus on reducing greenhouse gas emissions alongside efficient and environmentally friendly resource utilization. The Company has established greenhouse gas management practices in compliance with relevant requirements, while promoting the participation of employees and stakeholders throughout the value chain. A Carbon Footprint Committee has also been appointed to oversee, supervise, monitor, and continuously improve greenhouse gas reduction initiatives. In addition, the Company systematically collects data on activities related to greenhouse gas emissions, covering energy consumption, fuel usage, and other relevant activities. This supports effective monitoring, verification, reporting, and validation processes, ensuring accuracy and transparency, and enabling efficient planning for emission reductions.

The Company is committed to continuously reducing greenhouse gas emissions across all scopes, including direct emissions (Category 1), indirect emissions from energy consumption (Category 2), and other indirect emissions throughout the value chain (Categories 3–6). This is supported by certification under ISO 14064-1 by an internationally recognized verification body, in alignment with environmentally sustainable business operations in the long term.

Targets

Topic	Targets		
	2026	2027	2028
GHG inventory report, GHG verification and disclosure (specific to Scope 1 and Scope 2 emissions)	Success	Success	Success
Prepare, verify, and disclose greenhouse gas emissions (Categories 3–6).	Success	Success	Success

Strategic Initiative

Prepare annual greenhouse gas emissions reports and obtain certification under ISO 14064-1 from an accredited verification body in accordance with international standards.

Strategic Initiative	Year	Expected Outcomes
Prepare annual greenhouse gas emissions reports and obtain certification under ISO 14064-1 from an accredited verification body in accordance with international standards.	2026	• Annual greenhouse gas emissions report, with certification under ISO 14064-1 obtained from an internationally accredited verification body.
	2027	• Annual greenhouse gas emissions report, with certification under ISO 14064-1 obtained from an internationally accredited verification body.

Strategic Initiative	Year	Expected Outcomes
	2028	<ul style="list-style-type: none"> Annual greenhouse gas emissions report, with certification under ISO 14064-1 obtained from an internationally accredited verification body.
Implement standard software to manage data used for greenhouse gas calculations in order to support the preparation of the annual greenhouse gas inventory.	2026	<ul style="list-style-type: none"> Develop data collection and data management systems by establishing a structured data collection plan for greenhouse gas calculations, along with selecting appropriate software to enhance efficiency, accuracy, and data reliability for verification purposes. Select appropriate software to enhance efficiency, accuracy, and the reliability of data. Provide training to the working team to ensure proper understanding of software usage, enabling accurate data entry. Pilot the use of software for verification purposes (with Microsoft Excel as a backup data system) in preparation for ISO 14064-1 certification.
	2027	<ul style="list-style-type: none"> Continuously develop and improve data collection and management systems by systematically addressing and correcting identified non-conformities (NCs). Pilot the use of software for verification in preparation for ISO 14064-1 certification, and update it into a formal procedure/manual to ensure consistent and effective implementation.
	2028	<ul style="list-style-type: none"> Utilize software as the primary tool for verification in preparation for ISO 14064-1 certification.

Risk Management

Risk 1 : Regulatory and compliance risks.

• **Risk Characteristic**

Environmental regulatory trends, particularly the draft Climate Change Act proposed by the Ministry of Natural Resources and Environment, are currently under consideration and approval. The draft law requires the industrial sector to prepare a greenhouse gas (GHG) inventory and develop an organizational greenhouse gas mitigation plan in alignment with national emission reduction targets. These requirements are expected to become mandatory. At the same time, customer requirements are becoming increasingly stringent. Many countries now require greenhouse gas reporting in accordance with international standards. Failure to prepare and disclose such data may result in business disadvantages, reduced market competitiveness, and higher tax costs compared to competitors. These factors will have direct impacts on businesses across the supply chain.

• **Risk Impact**

1. Market competitiveness
2. Business disadvantage due to higher tax costs compared to competitors
3. Non-compliance with customer and legal requirements, resulting in regulatory violations and failure to pass supplier qualification.
4. Opportunities for energy cost reduction and sustainable business operations

• **Risk Management Measures**

The Company is committed to preparing greenhouse gas reports in alignment with international standards and relevant requirements. It is developing data collection and reporting systems to enhance accuracy and reliability, supporting verification in accordance with ISO 14064-1. In addition, the Company promotes energy conservation, the use of renewable energy, and efficient resource utilization to reduce greenhouse gas emissions and environmental impacts. These efforts contribute to strengthening competitiveness and achieving sustainable growth.

Attachments

URL Link to the Document : <https://varopakorn.com/OneReportVARO2568TH.PDF>



Decarbonization

The Company recognizes the importance of climate change, a global issue that has long-term impacts on the environment, economy, and quality of life. The Company is therefore committed to conducting its business in accordance with sustainable development principles, with a focus on reducing greenhouse gas emissions alongside efficient and environmentally friendly resource utilization. The Company has established a systematic approach to greenhouse gas management and promotes the participation of employees and stakeholders throughout the value chain to collectively reduce climate impacts.

The Company has set a target to reduce greenhouse gas emission intensity Carbon Intensity (TonCO₂eq/Tons/Year) by 5% per year compared to the base year of 2024.

2026: 5% reduction

2027: 5% reduction

2028: 5% reduction

Total reduction of 15% over three years.

The primary factors contributing to the Company’s greenhouse gas emissions are electricity and fuel consumption. The Company therefore emphasizes improving energy efficiency to maximize utilization, reduce emissions, and support long-term sustainable development.

Targets

Topic	GHG emissions in the base year (tCO ₂ e)	Target for reducing GHG emissions compared with the base year (tCO ₂ e)		
	2024	2026	2027	2028
Greenhouse gas emission reduction volume	1.21	1.15	1.08	1.02

Remark : Direct emissions (Category 1) and indirect emissions from energy consumption (Category 2). From 2026 to 2028, the Company targets a total reduction in carbon intensity of 15%.

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Improve energy efficiency within the factory, such as reducing the temperature of the melting furnace, optimizing continuous annealing systems, Include maintain machinery performance at optimal efficiency.	2026	• Reduce energy consumption 5%
	2027	• Reduce energy consumption 5%
	2028	• Reduce energy consumption 5%

Remark : Improve greenhouse gas management and performance. Direct emissions (Category 1) and indirect emissions from energy consumption (Category 2).

Risk Management

Risk 1 : Natural gas and electricity prices are volatile.

- **Risk Characteristic**

The primary factors contributing to the Company’s greenhouse gas emissions are electricity and fuel consumption. The volatility of natural gas and electricity prices in the global market may significantly increase production costs.

- **Risk Impact**

Rising energy costs may reduce the economic viability of greenhouse gas reduction targets and could negatively impact net profit.

- **Risk Management Measures**

Consider the use of renewable energy (e.g., solar rooftop systems and green tariff programs) or alternative energy sources, and implement monitoring systems to reduce energy consumption per unit of production.

Risk 2 : Decline in production and machinery efficiency.

- **Risk Characteristic**

Machinery used in the melting and rolling processes has a finite service life. Without preventive maintenance, efficiency may decline and energy consumption may increase.

- **Risk Impact**

Increased energy consumption per unit of production may prevent the achievement of the targeted greenhouse gas emission reduction goals.

- **Risk Management Measures**

- Establish a preventive maintenance plan.
- Invest in upgrading melting furnaces and compressed air systems to improve efficiency, and utilize IoT/ERP systems to monitor energy consumption in real time.

Risk 3 : Quality and quantity of recycled raw materials.

- **Risk Characteristic**

Recycled aluminum scrap used in the process may have inconsistent quality, and the quantity may be insufficient to meet the targets.

- **Risk Impact**

This may result in increased waste generation or product quality issues, and may hinder the ability to increase the proportion of recycled materials in line with greenhouse gas reduction targets. Additional remelting may also lead to higher energy consumption.

- **Risk Management Measures**

- Select reliable suppliers.
 - Establish quality standards for recycled raw materials.
 - Conduct production trials prior to actual implementation.
 - Enter into long-term agreements with recycled material suppliers.
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